Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City Metro Manila
Philippines

24 June 2005

SEC Opinion No. 05-07
Re: Effectivity of Amendment or Adoption of New By-laws

ATTY JOSE L. SIMON
Bringas, Parca, Simon & Valeros
Unit 5 D/2nd Flr. Leila Apts.,
#5 Saint Mary St. Cubao, Quezon City

Sir:

This refers to your letter dated 10 May 2005 requesting opinion whether an amended by-law provision shall take effect immediately upon approval by the majority of the board of trustees and members of Alpha Phi Omega (Phils.), Inc.

Section 48, paragraph 3 of the Corporation Code explicitly provides and we quote:

> "The amended or new by-laws shall only be effective upon the issuance by the Securities and Exchange Commission of a certification that the same are not inconsistent with this Code."

It can be gleaned from the aforequoted provision of the Code that amendment of any provision of the by-laws or adoption of new by-laws shall take effect only upon approval by the Commission.

In a previous opinion, the Commission ruled that "approval of the amendments by this Commission is necessary before any amendment can take effect. It is only upon the issuance of the certificate of filing of amended by-laws

18

that its provision should be followed and observed.[1] A by-law provision which provides an effectivity date of an amendment shall not be construed to be the date when the amended by-laws become effective. Amendment of by-laws and adoption of new by-laws must always conform with Section 48 of the Code to become effective.

Very truly yours,

VERNETTE G. UMALI-PACO
General Counsel

[1] SEC Opinion dated 8 November 1989 addressed to Mr. Raul N. Choa

17